

# Hospitalitynews

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## MIDDLE EAST



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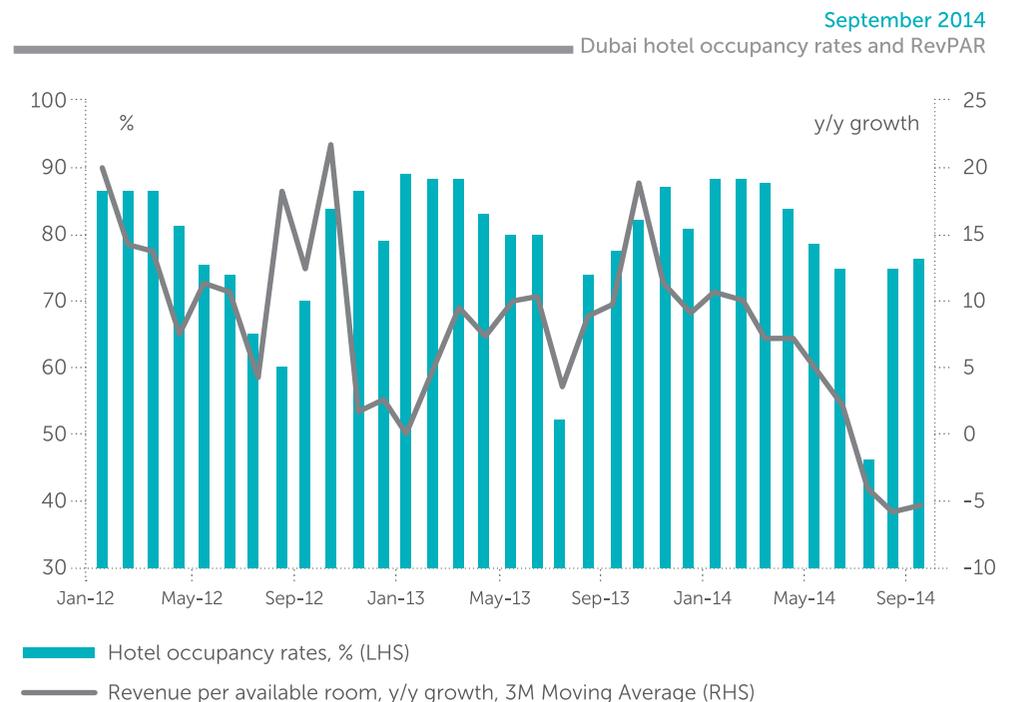
# UAE: A WAVE OF GROWTH



Although it was a rocky few months, Dubai was hardly hit by the 2009 financial crisis. The trend now, however, is back into positive territory: officials plan on a growth of 4.5 percent in 2015. **Toufic Akl**, partner handling operations at Hodema offers insights

The UAE has been riding a wave of growth for a few years now. According to the UAE's National Bureau of Statistics, the GDP Annual Growth Rate averaged 4.64 percent from 2000 until 2014, reaching an all-time high of 9.80 percent in 2006. Dubai is a major contributor to the Emirate's prosperity, being the most developed retail market in the GCC, and a major financial hub. Abu Dhabi, one of the world's largest oil producers, has been diversifying its economy in recent years, investing billions of dollars in infrastructure, real estate and tourism.

The UAE's geographical location, at the crossroads of three major continents, largely contributes to its appeal. Dubai has managed to position itself as an important center of transit, with its airport serving more than 200 destinations, and passenger traffic reaching 46.5 million in



the period of Jan-Aug 2014. Dubai Airport plans to achieve 100 million passengers by 2020, which will make it the world's busiest hub.

The positive economic outlook is boosting the tourism sector (Dubai attracted more than 11 million visitors in 2013 and 12 million in 2014), which represents almost 30 percent of Dubai's GDP; with Abu Dhabi also quickly becoming an emerging destination. The UAE has kept piling up honors: in 2013 the UN's World Tourism Organization ranked the Emirates as one of the best performing destinations, and last year Dubai was named as one of the top 25 places to visit in TripAdvisor's "Traveler Choice Awards".

The UAE offers multiple tourism options. In the last few years, a new type of offer has emerged in Dubai: "MICE", aka meetings, incentives, conferences, and exhibitions. Dubai has also plans to become a leading

**“Solutions are always in the hands of the local businesses and their employees”**

medical tourism hub, aiming to attract 500,000 medical tourists by 2020. The main activity, however, remains shopping, with over 70 malls in Dubai alone. Also, Abu Dhabi has recently opened the Abu Dhabi National Exhibition Center, considered to be the Middle East's largest exhibition facility. Sports events are a major attraction as well, with the Abu Dhabi Formula 1 Grand Prix, among others. The highly expected opening of the French museum Le Louvre later this year in Abu Dhabi is also a highlight.

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## A DIVERSE F&B OFFERING

Dubai is also considered the regional hub for food and beverage concepts, with 21 percent of restaurants serving international cuisine and most ranking between mid and high-end establishments, showing the high maturity of the sector. The vast majority of restaurants are located in malls and food clusters, which have proved highly popular in the last few years. The habit of franchising, inspired by the United States, is also favored with 58 percent of the total supply being franchises. American brands appear to be developers' favorites, but local competition is emerging. Several new mega projects, such as Mohammed bin Rashid City and The Pearl Dubai, are also set to increase the supply.

## AN AMBITIOUS 2020 GOAL

The UAE offers a large range of accommodation, from furnished apartments to luxury hotels and desert resorts. Most hotels are in the high-end and luxury segments, accounting for 40.6 percent of Dubai's total existing supply (70,343 hotel rooms) in 2014. This is set to increase further with Dubai being chosen to host Expo 2020, with the government aiming to reach 20 million visitors by then; and with a need for up to 160,000 new rooms. In Abu Dhabi 4,693 rooms are scheduled for completion before the end of 2015. This substantial growth in accommodation supply is creating a shift to a midscale level, with new land allocation being recently announced to encourage the construction of more mid-range establishments.

Dubai's top 10 tourism related projects to be awarded in 2014, USDbn, as of H1 2014

